

General Fund Multi-Year Forecast at 2016-17 Governor's Budget

(Dollars in Millions)

	2015-16	2016-17	2017-18	2018-19	2019-20
RESOURCES:					
Prior Year Balance	\$3,699	\$5,172	\$3,196	\$3,805	\$1,914
Revenues/Transfers	\$120,386	\$124,189	\$128,125	\$128,304	\$132,129
Transfer to the Budget Stabilization Account ^{1/}	-\$2,849	-\$3,556	-\$1,284	-\$999	-\$991
Total Resources	\$121,236	\$125,805	\$130,037	\$131,110	\$133,052
EXPENDITURES:					
Proposition 98	\$49,992	\$50,972	\$52,336	\$51,454	\$52,535
Non-Proposition 98	\$66,072	\$71,637	\$73,896	\$77,742	\$81,327
Unallocated Prop 2 Debt Payments					\$123
Total Expenditures	\$116,064	\$122,609	\$126,232	\$129,196	\$133,985
FUND BALANCES:	\$5,172	\$3,196	\$3,805	\$1,914	-\$933
Reserve for Encumbrances	\$966	\$966	\$966	\$966	\$966
Special Fund for Economic Uncertainties	\$4,206	\$2,230	\$2,839	\$948	-\$1,899
Budget Stabilization Account/Rainy Day Fund	\$4,455	\$8,011	\$9,295	\$10,294	\$11,285
BSA balance as a percentage of General Fund tax proceeds	3.7%	6.5%	7.3%	8.1%	8.6%
Operating Surplus/Deficit with BSA Transfer	\$1,473	-\$1,976	\$609	-\$1,891	-\$2,847

1/ Includes additional \$2 billion BSA transfer in 2016-17.

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2
2016-17 Governor's Budget

(Dollars in Millions)

	Outstanding Amount at Start of 2016-17	Proposed Use of 2016-17 Pay Down	Proposed Use of 2017-18 Pay Down	Proposed Use of 2018-19 Pay Down	Proposed Use of 2019-20 Pay Down
Budgetary Borrowing					
Loans from Special Funds	\$1,806	\$955	\$559	\$292	\$0
Underfunding of Proposition 98—Settle-Up	1,232	257	286	337	352
Repayment of pre-Proposition 42 Transportation Loans	879	173	220	220	266
State Retirement Liabilities					
State Retiree Health	71,773	0	50	150	250
State Employee Pensions	43,291	0	0	0	0
Teacher Pensions ^{1/}	72,718	0	0	0	0
Judges' Pensions	3,358	0	0	0	0
Deferred payments to CalPERS	570	0	0	0	0
University of California Retirement Liabilities					
University of California Employee Pensions	10,786	171	169	0	0
University of California Retiree Health	17,270	0	0	0	0
Unallocated Debt Payments					123
Total	\$223,683	\$1,556	\$1,284	\$999	\$991

1/ The state portion of the unfunded liability for teacher pensions is \$14.916 billion.

**Projections of 2016-17 General Fund
(Dollars in Millions)**

	Projections at:				
	2016-17 Governor's Budget ^{1/}	2015 Budget Act	2014 Budget Act	2013 Budget Act	2012 Budget Act
Total Revenues and Transfers	\$120,633	\$120,256	\$117,127	\$116,101	Not Available
Total Expenditures	122,609	120,599	117,126	115,178	Not Available

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2016-17 General Fund total resources and total expenditures be accompanied by the projections for the same year from the previous four budget acts. Each forecast is based on the assumptions in place at that time.

The 2016-17 Governor's Budget multi-year projection is based on existing state/federal law and state policies, adjusted for any proposals for changes included in the 2016-17 Governor's Budget. It reflects various assumptions depending on the particular program regarding changes in enrollment, caseload, and population. The projections also use various cost escalation and COLA factors depending on the particular program.

^{1/} Pursuant to Proposition 2 of 2014, projected revenues are reduced by \$1.556 billion reflecting the estimated required transfer to the Budget Stabilization Account (BSA). In addition, the Governor's Budget includes \$1.556 billion to pay down debt, as reflected on the previous page, and proposes an additional \$2 billion transfer to the BSA that further reduces projected revenues.